



TRANSITION GUIDE TO CITY EMPLOYMENT FOR SCHOOL DISTRICT PERSONNEL

The City of San Antonio is committed to successfully transitioning school district personnel who join the Pre-K 4 SA team. To this end, several documents have been developed to explain common questions that may come up in the following areas:

- Texas Municipal Retirement System (TMRS)
- Teacher Retirement System of Texas (TRS)
- Social Security Benefits and the Impact on Teacher Retirement System of Texas
- Overview of the City of San Antonio Benefits Package

Should you need additional information, please contact hrcustomerservice@sanantonio.gov.

TEXAS MUNICIPAL RETIREMENT SYSTEM AND TEACHER RETIREMENT SYSTEM OF TEXAS

All Pre-K 4 SA staff will be City of San Antonio employees. As such, they will be eligible to contribute to the Texas Municipal Retirement System (TMRS). Although there is reciprocity with TMRS and the Teacher Retirement System of Texas (TRS), Pre-K 4 SA employees will not be eligible for TRS. This document will help explain some of the key differences and how reciprocity between the two pension systems works.

1. What is the Teacher Retirement System of Texas (TRS)?

TRS is a formula-based defined benefit retirement plan for Texas public education employees. TRS members contribute 6.4% of their salary; the state contributes 6.4% of the member's salary; employee and state deposits are held by the system and earn 5% interest annually.

- Retiree's lifetime benefit based on:

Average annual salary for the 5 highest years of service*

X

2.3% for each yr of credited service

- TRS members vest in five years and may retire at age 65 with 5 years of service or age 60, whenever the member's age and years of service total at least 80

**Members who are grandfathered (TIERs 1 and 4) have their standard annuity calculated using the average of their highest three annual salaries.*

2. What is the Texas Municipal Retirement System (TMRS)?

TMRS is a cash balance defined benefit plan funded by the contributions of its members, its member cities, and earnings from investment of those deposits. TMRS members contribute 6% of their salary; City of San Antonio contributes 12%. TMRS members vest in five years and may retire after 20 years of service at any age or 60 years of age with at least five (5) years of service.

3. What are the key differences between TRS and TMRS?

TRS provides a benefit based on a multiplier times your years of service and salary, whereas TMRS provides a benefit based on the actual dollars the employee and the employer contribute and the investment earnings made on those contributions.

4. What if I am currently a TRS member? How does reciprocity with TRS and TMRS work?

An employee can use time from TRS to meet the retirement eligibility with TMRS and their time with TMRS to meet retirement eligibility with TRS. For example, if a City employee has four years of service credit with TRS and begins employment with the City of San Antonio, they will only need to attain one year of service credit with TMRS to become vested.

A TRS member beginning employment with the City of San Antonio may elect one of the following options:

- If the TRS member begins employment with the City of San Antonio and retains their TRS funds with TRS, the funds will continue to earn 5% interest annually if the employee notifies TRS of the employment with TMRS and service credit will be maintained.
- If the TRS member begins employment with the City of San Antonio and rolls the funds over to a separate retirement account, such as a 457, the employee will become inactive with TRS and service credit will be lost.
- If the TRS member begins employment with the City of San Antonio and personally collects a refund from TRS, the employee will become inactive with TRS, service credit will be lost, and the refund will be subject to IRS tax.

SOCIAL SECURITY BENEFITS AND IMPACT ON TEACHER RETIREMENT SYSTEM OF TEXAS

Unlike in most Texas school districts, City of San Antonio employees contribute to Social Security. If you are employed with the City of San Antonio, you will be eligible for Social Security benefits upon retirement. While enrollment in TRS does not prevent you from collecting benefits, Social Security can affect your TRS benefits.

1. Will my eligibility for a TRS pension prevent me from collecting Social Security benefits?

No. However, all employees eligible for a government pension such as that provided by TRS who are also eligible for Social Security benefits are subject to two offset rules that can reduce the amount of Social Security benefits they are eligible to receive.

The **Government Pension Offset (GPO)** will affect you if you are eligible for a spousal or widow/er Social Security benefit.

The **Windfall Elimination Provision (WEP)** will affect you if you are eligible for a Social Security pension either from previous employment that paid only into Social Security or from employment in a district that pays into both TRS and Social Security. (Most Texas school districts do not pay into Social Security.)

2. Which Social Security benefits am I eligible to receive?

To be eligible for a Social Security pension benefit, you must be at least 62 years old and have a minimum of 40 Social Security credits. A credit is equal to a designated amount of earnings that increases from year to year based on national earnings averages. For example, employees received one credit for every \$1,050 of earnings on which they paid Social Security taxes in 2008. Since an employee can earn a maximum of four credits per year, you must have worked in a job in which you paid Social Security taxes for at least 10 years or 40 quarters to meet Social Security eligibility requirements.

However, if your spouse is eligible for a Social Security pension, you might be eligible for a spousal or widow/er benefit. Typically, spousal benefits are equal to 37 percent to 50 percent of the spouse's Social Security benefit and are paid to the dependent spouse while the other spouse is still living. Widow/er benefits are usually equal to 71 percent to 100 percent of the spouse's benefit and are paid to the dependent spouse after the other spouse's death. Eligibility is based on age and the number of years married to a qualified spouse. Contact your local Social Security office for complete information on which benefits you are eligible to receive.

3. Why does the GPO affect Texas educators?

Social Security spousal and widow/er benefits were created to provide security for people dependent on their spouses. They provide the spouse who does not work with some Social Security benefits based on the other spouse's Social Security earnings.

However, if both spouses worked and are eligible for their own individual Social Security pensions, one spouse could still file for a spousal or widow/er benefit even though he or she is not dependent on the other spouse. This is known as dual entitlement. To prevent dual entitlement, the government implemented rules that reduce the amount of spousal or widow/er benefits a person can receive by the amount of his or her own Social Security pension benefit. These dual entitlement rules prevent double dipping, or receiving both a Social Security pension benefit and a spousal or widow/er benefit.

However, some government employees, such as Texas educators, work in jobs that pay into government pension programs (such as TRS) rather than Social Security. Because these employees have little or no Social Security-covered employment, it appears that they are dependent on their spouses when in reality they are not. This situation allowed these employees to apply for spousal Social Security benefits without being subject to dual entitlement rules. The GPO was designed to mirror dual entitlement rules and prevent people eligible for a government pension (such as a TRS pension) from receiving a benefit created only for dependent spouses.

Exemption: As of July 1, 2004, House Resolution (HR) 743 stipulates that employees who work in a position covered by both Social Security and the government pension system for the last five years before retiring are exempt from the GPO. HR 743 also includes a transitional rule that would allow educators with previous employment in an entity that paid into both Social Security and TRS to count that time toward the five years required to gain exemption from the GPO.

4. How does the WEP work?

The WEP affects Social Security benefits for people who are eligible for both Social Security and government pensions (such as TRS) by modifying the formula used to calculate their Social Security benefit.

The standard formula for figuring Social Security benefits averages a person's pre-retirement earnings by dividing total pre-retirement earnings by 35 years, then dividing that amount by 12 to find the average monthly earnings (AME). The formula then multiplies the first \$761 of the AME by 90 percent. The next \$4,586 of the AME is multiplied by 32 percent, and the remaining amount of the AME is multiplied by 15 percent. The three amounts are then added together to determine a person's monthly annuity.

The WEP modifies this formula for employees who are eligible for a government (TRS) pension by multiplying the first \$761 of the AME by a smaller percentage that is based on the number of years the person paid Social Security taxes on substantial earnings (a designated amount adjusted yearly to reflect economic trends).

The percentage increases from 40 percent to 90 percent as an individual's years of substantial earnings increase from 20 years to 30. For example, a person who has paid Social Security taxes on substantial earnings for 20 or fewer years will have the first \$761 of his AME multiplied by 40 percent, whereas a person with 26 years of substantial earnings will have the first \$761 of his AME multiplied by 70 percent, and so on up to 30 years. Once a person reaches 30 years of substantial earnings he or she is restored to the full 90 percent multiplier and is no longer affected by the WEP.

5. I still have questions regarding Social Security and impact on TRS. Who should I contact?

For specific questions about your Social Security benefits, contact your local Social Security office. [Click here](#) for contact information for the office nearest you. Or visit the Social Security Administration's website at www.ssa.gov for answers to many frequently asked questions.

Source: <http://www.atpe.org/advocacy/issues/socSec.asp>

OVERVIEW OF CITY OF SAN ANTONIO BENEFITS PACKAGE

The City of San Antonio strives to provide a competitive benefits package to attract and retain a highly skilled workforce. The City offers generously subsidized health care benefits to active, full-time employees, retirees, and their eligible dependents. These benefits include dental, medical, life, vision, and disability insurances.

MEDICAL PLANS OVERVIEW – United Healthcare

Deductibles, Out-of-Pocket Maximums, Office Visits, & Health Savings Accounts				
In-Network Benefits	Consumer Choice	Value	Standard	Premier
City Contribution to Health Savings Account (HSA) (Individual/Family)	\$500/\$1,000	N/A	N/A	N/A
Preventative Care	Covered at 100%			
Annual Deductible (Individual/Family)	\$1,250/\$2,500	\$900/\$1,800	\$750/\$1,500	\$500/\$1,000
Annual Out of Pocket Maximum (Individual/Family)	\$4,000/\$8,000	\$3,000/\$6,000	\$2,400/\$4,800	\$1,200/\$2,400
Office Visits: Primary Care/Specialist/Urgent Care	20% after deductible	\$25/\$35/\$40	\$25/\$35/\$40	\$25/\$35/\$40
Prescription Co-Pays				
Tier 1 (Generic)	Maintenance	\$7		
Tier 2 (Preferred Brand)	Meds: 20%	\$25		
Tier 3 (Non Preferred Brand)	Other:	\$50		
Tier (Specialty)	20% after deductible	\$75		

MONTHLY HEALTHCARE PREMIUMS

Employees Hired After January 1, 2009				
	Consumer Choice	Value	Standard	Premier
Employee Only	\$6	\$12	\$79	\$266
Employee + Child(ren)	\$42	\$83	\$199	\$536
Employee + Spouse/ Domestic Partner	\$96	\$192	\$331	\$712
Employee + Family	\$125	\$250	\$449	\$980

DENTAL PLANS OVERVIEW – DELTA DENTAL

	CitiDent PPO	DeltaCare Dental HMO
Annual Deductible (Individual/Family)	\$50/\$150	N/A
Annual Maximum Benefit Per Person	\$1,200	N/A
Orthodontic Lifetime Maximum	\$1,500	N/A
Preventative Care	100%	100%
Basic Care	80%	\$5 Co-pay
Major Care	50%	Co-pay varies by service
Orthodontics	50% Child Only	\$1,700/\$1,900 Child/Adult

MONTHLY DENTAL PREMIUMS

	CitiDent PPO	DeltaCare Dental HMO
Employee Only	\$28	\$10.72
Employee + Child(ren)	\$42	\$19.98
Employee + Spouse/ Domestic Partner	\$42	\$19.98
Employee + Family	\$63	\$29.98

VISION PLANS OVERVIEW – DAVIS VISION

	In-Network
Eye Exam (once per calendar)	\$10 Co-pay
Frame (once per calendar year)	Covered up to \$130
Lenses (once per calendar year) Single Lined bifocal Trifocal	Covered in full
Contact Lenses (in lieu of glasses) (once per calendar year)	Covered in full (Davis Vision's Contact Lens Collection) Covered up to \$150 (Other retail)

MONTHLY VISION PREMIUMS

	Premium
Employee Only	\$7.84
Employee + Child(ren)	\$14.02
Employee + Spouse/ Domestic Partner	\$14.02
Employee + Family	\$20.76

LIFE INSURANCE

The City of San Antonio provides all full-time employees with Basic Life and Accidental Death & Dismemberment Insurance in the amount of one (1) time your annual salary, at no cost to you.

You also have the option of purchasing voluntary Supplemental Life Insurance of up to five (5) times your annual base salary (not to exceed \$900,000). Cost for Supplemental Life Insurance is based upon your age and amount of coverage at time of election. You also have the option of purchasing Dependent Life Insurance in the amount of \$25,000 for spouse/domestic partner and/or \$10,000 for each dependent child. Cost for Dependent Life Insurance is \$4 per month.

ACCRUED LEAVE

Annual Leave- may be used for vacation, illness or to attend to personal matters. It will accrue monthly based on your anniversary date upon completion of the initial six month employment period. The Annual Leave accrual rate increases with your years of services. Non-Executive employees may accrue a maximum of 400 hours per calendar year and balances may be carried over to the next calendar year up to a maximum of 400 hours. Upon separation, Non-Executive employees may be paid up to 400 hours of accrued annual leave.

YEARS OF SERVICE		1	2	3	4	5	6	7	8	9	10	11	12*
Less than 1 yr	5 days/ 40 hours	00	00	00	00	00	00	06	06	06	06	06	10
1 yr < 5yrs	12 days/ 96 hours	08	08	08	08	08	08	08	08	08	08	08	08
5 yrs < 10 yrs	14 days/ 112 hours	09	09	09	09	09	09	09	09	09	09	09	13
10 yrs < 15 yrs	16 days/ 128 hours	10	10	10	10	10	10	10	10	10	10	10	18
15 yrs < 20 yrs	18 days/ 144 hours	12	12	12	12	12	12	12	12	12	12	12	12
20 yrs < 25 yrs	20 days/ 160 hours	13	13	13	13	13	13	13	13	13	13	13	17
25 yrs and above	22 days/ 176 hours	14	14	14	14	14	14	14	14	14	14	14	22

*Month 12 is the employee's anniversary date of hire

Personal Leave- may be used for vacation, illness or to attend to personal matters. Upon completion of the initial six month employment period, employees will receive 40 hours of Personal Leave. Personal Leave accrual rate increases with your years of service. Personal Leave is accrued quarterly (January, April, July and October) after completion of twelve months of employment. Personal Leave hours accrued throughout the year are based on years of service each January 1st and the accrual rate is fixed for that calendar year. **Personal Leave accruals must be used within the same calendar year. Unused hours are forfeited or may be sold (if eligible) to be bought back by the City in December of each year.** Employees who have not completed the initial twelve months of employment by December 31st may carry over their Personal Leave balance to the following year. Personal Leave hours are forfeited and not paid upon separation of employment.

Years of Employment (As of January 1st of the current year)	Amount of Personal Leave Accrued Quarterly	Amount of Personal Leave Accrued Annually	Years of Employment (As of December 31st of the current year)	Personal Leave Hours Eligible for Buy Back
Less than 6 months	0 hours	0 hours	Less than 6 months	0 hours
6 months < 1 yr	0 hours	40 hours	6 months < 1 year	0 hours
1 yrs < 2 yrs	10 hours	40 hours	1 year < 2 years	16 hours
2 yrs < 3 yrs	12 hours	48 hours	2 years < 3 years	32 hours
3 yrs < 4 yrs	14 hours	56 hours	3 years < 4 years	48 hours
4 yrs < 5 yrs	16 hours	64 hours	4 years < 5 years	64 hours
5 yrs < 6 yrs	18 hours	72 hours	5 years < 6 years	72 hours
6 yrs < 7 yrs	18 hours	72 hours	6 years < 7 years	72 hours
7 yrs < 8 yrs	18 hours	72 hours	7 years < 8 years	72 hours
8 yrs < 9 yrs	18 hours	72 hours	8 years < 9 years	72 hours
9 yrs < 10 yrs	20 hours	80 hours	9 years < 10 years	80 hours
10 yrs and above	20 hours	80 hours	10 years and above	80 hours

DISABILITY

The City provides the Extended Sick Leave Program for full-time employees who require leave due to non-work related illnesses or injuries. This program provides eligible employees with a percentage of their salary based on years of service for a maximum of 26 weeks if unable to work as a result of a non-work related disability.

Eligibility

- Any full-time civilian employee who suffers an off-the-job injury or illness
- Employee must be off work for five (5) consecutive working days and be under the care of a licensed physician
- Employee must have completed their six month probationary period
- Employee must submit a complete application within thirty (30) days of onset of disability for benefits under the program, along with an attending physician's statement

Employees who are still disabled after 26 weeks may be eligible for an additional 26 weeks of long-term disability. This benefit amount is equal to 40% of your regular compensation at the time the short-term disability began or 60% if additional disability insurance was purchased.

RETIREMENT

The City of San Antonio offers a mandatory **retirement plan** to its full-time non-uniformed employees upon their date of hire with the City. This retirement plan is administered by Texas Municipal Retirement System. Contact TMRS at 1-800- 924-8677 or on the web at www.tmrs.com with questions or for more information.

- The employee contribution to the plan is 6% of salary.
- City's contribution is 2 times employee contribution.
- Employees become 100% vested after 5 years of service.

Deferred Compensation (457) Programs - The City of San Antonio provides employees an additional way to put even more money toward retirement directly from their paycheck through a Section 457 Deferred Compensation Plan. Employees may contribute as little as \$10 per pay period up to the maximum limits set by the IRS each year. The plan is designed to be a supplement to the City's mandatory retirement plan and is an additional way to invest long-term.

Nationwide Retirement Solutions and ICMA Retirement Corporation are the City's deferred compensation providers. Representatives from these companies are on-site at the City's Human Resources Department weekly. Contact Human Resources Customer Service at 210-207-8705 to schedule an appointment with a provider or for more information on how to enroll.



For full information, see
the TMRS website:
www.tmr.com

The Texas Municipal Retirement System (TMRS)

The Texas Municipal Retirement System (TMRS) is a statewide retirement system that provides retirement, disability, and death benefits for employees of participating Texas cities. Over 840 Texas municipalities participate in TMRS, and each city chooses the level of benefits for its employees.

Participation and Contributions

- If you work for a TMRS city in a position that normally requires at least 1,000 hours of work in a year, the city is required to enroll you as a TMRS member and you will contribute a percentage of your salary toward your future retirement.
- The salary percentage you contribute (5%, 6%, or 7%) is determined by your city council or board.
- Annual interest is paid every December 31 on your prior January 1 balance (guaranteed minimum 5% by law).
- Your retirement account is tax-deferred. You don't pay taxes on your contributions until you receive a refund, or until you begin receiving a monthly benefit at retirement.
- Your city matches your deposits at a ratio of 1 to 1, 1.5 to 1, or 2 to 1, as determined by your city's TMRS plan. (Members receive city matching funds at the time they retire.)

Retirement Eligibility

- Vesting requirements are 5 or 10 years of service, depending on your city.
- To be eligible to retire, you must be vested and age 60 or, depending on your city's plan, have fulfilled either 20 or 25 years of service with no age requirement.

Additional Benefits

- At retirement, your deposits, credited interest, and the city's match are combined to form an annuity that pays you a monthly benefit for life. You may also choose payment options that provide a benefit for your survivors.
- Cities may also choose to provide additional benefits, such as COLAs to retirees and Supplemental Death Benefits.

Credit for Other Service

- TMRS participates in the Proportionate Retirement Program. Service credit earned in a participating system can be combined to meet age and service requirements of any other participating system. Participating systems include:
 - TRS – Texas public education employees
 - TCDRS – Texas county and district employees
 - ERS – Texas state employees
 - JRS – Texas judges
 - COAERS – City of Austin employees
- Depending on your city's TMRS program, other forms of public service may be used to establish service credit in TMRS:
 - Military Service Credit (active duty)
 - Full-time public employment anywhere in the United States or Territories (Restricted Prior Service Credit)



This sheet is an informal presentation of the TMRS Act. If any specific questions of fact or law should arise, the statutes will govern.



Model Education Center Locations

